



*United States Attorney
Southern District of New York*

FOR IMMEDIATE RELEASE
FEBRUARY 21, 2003

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**EXECUTIVE PROMISING A SPECIAL CAR FOR LESS DEVELOPED
NATIONS INDICTED IN MANHATTAN FEDERAL COURT FOR FRAUD**

JAMES B. COMEY, the United States Attorney for the Southern District of New York, announced that DOUGLAS NORMAN, the Vice-President of International Sales and self-described founder of World Transport Authority, Inc. ("WTA"), a public company traded on the OTC Bulletin Board quotation service operated by NASD, was indicted in Manhattan federal court and arrested in connection with his alleged participation in a fraudulent scheme in which he caused WTA to issue press releases and internet postings containing false and misleading information, while at the same time selling his personal holdings of WTA common stock for more than \$1.6 million.

According to the Indictment, WTA purported to be the designer of a car and car manufacturing system. The car, called the "WorldStar," was alleged to be uniquely suited to less developed countries because its body was made entirely of molded resins resistant to corrosion, and the car had less than 500

moving parts. In addition, the WorldStar was purportedly designed to be manufactured where marketed using WTA's "micro-manufacturing" method. On September 23, 1998, WTA's common stock was cleared to trade under the name Composite Automobile Research, Ltd. under the ticker symbol "CARH" on the over-the-counter "Bulletin Board" market, an electronic, screen-based market for securities regulated by NASD. On September 1, 2000, Composite Automobile Research, Ltd. changed its name to World Transport Authority, Inc. ("WTA") and began to trade under the ticker symbol "WTAI."

According to the Indictment, which was unsealed today, from January 2000 through January 2001, NORMAN engaged in a fraudulent scheme to maintain and inflate artificially the price of WTA's common stock, by authorizing WTA to issue a series of false and misleading press releases and by paying an internet consultant to post false and misleading statements on internet message boards regarding the business activities of WTA. Among other misrepresentations, NORMAN and WTA made false and misleading statements about WTA's expected sales for the WorldStar.

For example, NORMAN and WTA allegedly made misrepresentations concerning the "micro-factories" that would produce the WorldStar, and the expected revenues from license agreements allegedly signed by WTA in 2000. In fact, as NORMAN well knew, WTA faced substantial obstacles to achieving any revenue at all from sales of the WorldStar, the WorldStar was

neither saleable nor ready for production at the time of the releases and postings, and the WorldStar had not received government approval for production or sale in the countries where production was to occur, according to the charges.

According to the Indictment, NORMAN used false WTA press releases and internet postings to artificially maintain and inflate the price and trading volume of WTA common stock. In addition, the false statements fraudulently induced numerous investors to purchase WTA common stock, it was charged, and some of the victims purchased their WTA shares from NORMAN, who sold large amounts of the stock, reaping more than \$1 million in illegal profits.

NORMAN, 61, of El Cajon, California, was arrested at his home today. NORMAN is charged with one count of securities fraud. If convicted, NORMAN faces a maximum sentence of 10 years in prison and a maximum fine of \$1 million or twice the gross loss suffered by the victims of the scheme.

In a separate action, the United States Securities and Exchange Commission ("SEC") today announced the filing of a related civil enforcement action charging NORMAN with violations of the federal securities laws.

Mr. COMEY praised the efforts of the Federal Bureau of Investigation, and thanked the SEC and NASD Regulation, Inc. for

their assistance in the investigation.

Mr. COMEY said the investigation is continuing.

Mr. COMEY is a member of the President's Corporate Fraud task force. The Task Force is chaired by Deputy Attorney General LARRY THOMPSON, and was created by President BUSH last year to combat white collar crime.

Assistant United States Attorney DAVID B. ANDERS is in charge of the prosecution.

The charges contained in the Indictment are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

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